



Proven Expertise and Integrity

March 23, 2012

Board of Selectmen
Town of Union
Union, Maine

We were engaged by the Town of Union, Maine and have audited the financial statements of the Town of Union, Maine as of and for the year ended June 30, 2011. The following statements and schedules have been excerpted from the 2011 financial statements, a complete copy of which, including our opinion thereon, is available for inspection at the Town. Included herein are:

Balance Sheet – Governmental Funds	Statement C
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	Statement E
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Schedule of Departmental Operations	Schedule A
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Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	Schedule C

RHR Smith & Co.

Certified Public Accountants

TOWN OF UNION, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Nonmajor Governmental Funds	Totals Governmental Funds
ASSETS			
Cash	\$ 974,373	\$ -	\$ 974,373
Investments	1,137,341	57,764	1,195,105
Receivables (net of allowance):			
Taxes	228,465	-	228,465
Liens	52,952	-	52,952
Other	61,444	-	61,444
Tax acquired property	7,706	-	7,706
Due from other funds	32,867	1,133,273	1,166,140
TOTAL ASSETS	<u>\$ 2,495,148</u>	<u>\$ 1,191,037</u>	<u>\$ 3,686,185</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 130,004	\$ -	\$ 130,004
Accrued expenses	6,296	-	6,296
Due to other governments	10,116	-	10,116
Prepaid taxes	7,753	-	7,753
Deferred revenue	167,740	-	167,740
Due to other funds	1,133,273	32,867	1,166,140
TOTAL LIABILITIES	<u>1,455,182</u>	<u>32,867</u>	<u>1,488,049</u>
Fund Equity			
Nonspendable	7,706	-	7,706
Restricted	62,578	723,814	786,392
Committed	87,700	-	87,700
Assigned	31,400	467,223	498,623
Unassigned	850,582	(32,867)	817,715
TOTAL FUND EQUITY	<u>1,039,966</u>	<u>1,158,170</u>	<u>2,198,136</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,495,148</u>	<u>\$ 1,191,037</u>	<u>\$ 3,686,185</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF UNION, MAINE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	\$ 2,913,726	\$ -	\$ 2,913,726
Excise taxes	346,185	-	346,185
Intergovernmental revenues	225,754	38,487	264,241
Charges for services	204,391	-	204,391
Investment income	13,681	-	13,681
Miscellaneous revenues	72,385	117,855	190,240
TOTAL REVENUES	<u>3,776,122</u>	<u>156,342</u>	<u>3,932,464</u>
EXPENDITURES			
General government	374,993	-	374,993
Public safety	297,876	-	297,876
Health & Sanitation	45,433	-	45,433
Highway & bridges	551,896	-	551,896
Recreation and library	8,121	-	8,121
Education	1,802,009	-	1,802,009
County tax	202,601	-	202,601
Debt service:			
Principal	11,500	-	11,500
Interest	376	-	376
Unclassified	181,538	-	181,538
Program Expenditures	-	131,301	131,301
TOTAL EXPENDITURES	<u>3,476,343</u>	<u>131,301</u>	<u>3,607,644</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>299,779</u>	<u>25,041</u>	<u>324,820</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	16,794	758,884	775,678
Operating transfers (out)	(753,884)	(21,794)	(775,678)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(737,090)</u>	<u>737,090</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(437,311)</u>	<u>762,131</u>	<u>324,820</u>
FUND BALANCES - JULY 1	<u>1,477,277</u>	<u>396,039</u>	<u>1,873,316</u>
FUND BALANCES - JUNE 30	<u>\$ 1,039,966</u>	<u>\$ 1,158,170</u>	<u>\$ 2,198,136</u>

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE 1

TOWN OF UNION, MAINE

**BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,477,277	\$ 1,477,277	\$ 1,477,277	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	2,931,888	2,931,888	2,913,726	(18,162)
Excise taxes	321,500	321,500	346,185	24,685
Intergovernmental revenues:				
State revenue sharing	50,000	50,000	123,142	73,142
Homestead exemption	44,386	44,386	30,627	(13,759)
Local road assistance	58,000	58,000	57,690	(310)
FEMA	-	-	662	662
Other	5,069	5,069	13,633	8,564
Charges for services	13,582	13,582	22,798	9,216
Ambulance revenue	145,876	145,876	181,593	35,717
Investment income	2,000	2,000	13,681	11,681
Miscellaneous income	18,198	18,198	72,385	54,187
Transfer in from other funds	58,523	58,523	16,794	(41,729)
Amounts Available for Appropriation	5,126,299	5,126,299	5,270,193	143,894
EXPENDITURES				
General government	419,366	419,366	374,993	44,373
Public safety	301,497	301,497	297,876	3,621
Health & Sanitation	45,700	45,700	45,433	267
Highway & bridges	667,684	667,684	551,896	115,788
Recreation and library	9,300	9,300	8,121	1,179
Education	1,820,159	1,820,159	1,802,009	18,150
County tax	202,601	202,601	202,601	-
Debt service:				
Principal	-	-	11,500	(11,500)
Interest	-	-	376	(376)
Unclassified	350,793	350,793	181,538	169,255
Transfers to other funds	96,000	96,000	753,884	(657,884)
Total Charges to Appropriations	3,913,100	3,913,100	4,230,227	(317,127)
Budgetary Fund Balance, June 30	\$ 1,213,199	\$ 1,213,199	\$ 1,039,966	\$ (173,233)
Utilization of undesignated fund balance	\$ 69,997	\$ 69,997	\$ -	\$ (69,997)
Utilization of designated fund balance	194,081	194,081	-	(194,081)
	\$ 264,078	\$ 264,078	\$ -	\$ (264,078)

TOWN OF UNION, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Balance Positive (Negative)
General Government -					
Administration	\$ 56,300	\$ -	\$ 56,300	\$ 61,523	\$ (5,223)
Building maintenance	35,180	-	35,180	31,950	3,230
Office personnel	171,136	-	171,136	159,532	11,604
Cable TV	2,000	-	2,000	1,739	261
Stipends	5,650	-	5,650	4,735	915
Assessor	27,900	-	27,900	27,899	1
Insurance	121,200	-	121,200	87,615	33,585
	<u>419,366</u>	<u>-</u>	<u>419,366</u>	<u>374,993</u>	<u>44,373</u>
Public Safety -					
Fire Department	64,120	-	64,120	64,120	-
Fire dept donations	412	-	412	-	412
Ambulance	142,100	-	142,100	146,412	(4,312)
Ambulance dept donations	70	-	70	-	70
Plan/Code Enforcement	47,850	-	47,850	43,883	3,967
Animal control	33,445	-	33,445	31,490	1,955
Hydrant rental	13,500	-	13,500	11,971	1,529
	<u>301,497</u>	<u>-</u>	<u>301,497</u>	<u>297,876</u>	<u>3,621</u>
Health & Sanitation	<u>45,700</u>	<u>-</u>	<u>45,700</u>	<u>45,433</u>	<u>267</u>
Highways & Bridges					
Public works	357,377	-	357,377	318,825	38,552
Paving / road construction	222,600	-	222,600	206,892	15,708
FEMA/MEMA	69,207	-	69,207	6,629	62,578
Street lights	5,700	-	5,700	5,865	(165)
Bird Houses	1,200	-	1,200	2,132	(932)
Town maintenance	11,600	-	11,600	11,553	47
	<u>667,684</u>	<u>-</u>	<u>667,684</u>	<u>551,896</u>	<u>115,788</u>
Recreation and Library -					
Parks & Rec	9,300	-	9,300	8,121	1,179
	<u>9,300</u>	<u>-</u>	<u>9,300</u>	<u>8,121</u>	<u>1,179</u>
Education	<u>1,820,159</u>	<u>-</u>	<u>1,820,159</u>	<u>1,802,009</u>	<u>18,150</u>
County tax	<u>202,601</u>	<u>-</u>	<u>202,601</u>	<u>202,601</u>	<u>-</u>

SCHEDULE A (CONTINUED)

TOWN OF UNION, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Budget Adjustments</u>	<u>Total Available</u>	<u>Actual</u>	<u>Balance Positive (Negative)</u>
Debt service -					
Principal	-	-	-	11,500	(11,500)
Interest	-	-	-	376	(376)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,876</u>	<u>(11,876)</u>
Unclassified -					
General assistance	8,000	-	8,000	11,726	(3,726)
Union assistance	5,000	-	5,000	1,288	3,712
Social security	37,320	-	37,320	28,214	9,106
Cemeteries	36,150	-	36,150	31,928	4,222
Founders Day	1,200	-	1,200	328	872
Heald	18,000	-	18,000	-	18,000
Outside Agency	39,678	-	39,678	39,678	-
E- 911 Commitment	700	-	700	623	77
Budget committee	300	-	300	153	147
Snowmobile regs	-	-	-	228	(228)
Abatements	6,000	-	6,000	6,045	(45)
Legal Fees	10,000	-	10,000	2,096	7,904
Dispatch/RCC	49,025	-	49,025	49,025	-
Retirement expense	5,000	-	5,000	4,155	845
Ordinance	2,000	-	2,000	1,223	777
Common maintenance	5,000	-	5,000	2,627	2,373
EMA	3,384	-	3,384	2,201	1,183
Tan interest	1,000	-	1,000	-	1,000
Towns match	25,000	-	25,000	-	25,000
IC Thurston Fund	44,893	-	44,893	-	44,893
Energy Grant	10,000	-	10,000	-	10,000
Overlay	43,143	-	43,143	-	43,143
	<u>350,793</u>	<u>-</u>	<u>350,793</u>	<u>181,538</u>	<u>169,255</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 3,817,100</u>	<u>\$ -</u>	<u>\$ 3,817,100</u>	<u>\$ 3,476,343</u>	<u>\$ 340,757</u>

See accompanying independent auditors' report.

TOWN OF UNION, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	57,764	57,764
Accounts receivable	-	-	-	-
Due from other funds	467	466,756	666,050	1,133,273
Total assets	<u>\$ 467</u>	<u>\$ 466,756</u>	<u>\$ 723,814</u>	<u>\$ 1,191,037</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	32,867	-	-	32,867
Total liabilities	<u>32,867</u>	<u>-</u>	<u>-</u>	<u>32,867</u>
FUND EQUITY				
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	723,814	723,814
Committed	-	-	-	-
Assigned	467	466,756	-	467,223
Unassigned	(32,867)	-	-	(32,867)
Total fund equity	<u>(32,400)</u>	<u>466,756</u>	<u>723,814</u>	<u>1,158,170</u>
Total liabilities and fund equity	<u>\$ 467</u>	<u>\$ 466,756</u>	<u>\$ 723,814</u>	<u>\$ 1,191,037</u>

See accompanying independent auditors' report.

TOWN OF UNION, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 38,487	\$ -	\$ -	\$ 38,487
Miscellaneous	1	18,921	98,933	117,855
TOTAL REVENUES	<u>38,488</u>	<u>18,921</u>	<u>98,933</u>	<u>156,342</u>
EXPENDITURES	<u>78,983</u>	<u>17,993</u>	<u>34,325</u>	<u>131,301</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(40,495)</u>	<u>928</u>	<u>64,608</u>	<u>25,041</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfer In	8,095	465,828	284,961	758,884
Operating Transfers (Out)	-	-	(21,794)	(21,794)
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,095</u>	<u>465,828</u>	<u>263,167</u>	<u>737,090</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(32,400)</u>	<u>466,756</u>	<u>327,775</u>	<u>762,131</u>
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>396,039</u>	<u>396,039</u>
FUND BALANCES - JUNE 30	<u>\$ (32,400)</u>	<u>\$ 466,756</u>	<u>\$ 723,814</u>	<u>\$ 1,158,170</u>

See accompanying independent auditors' report.